



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

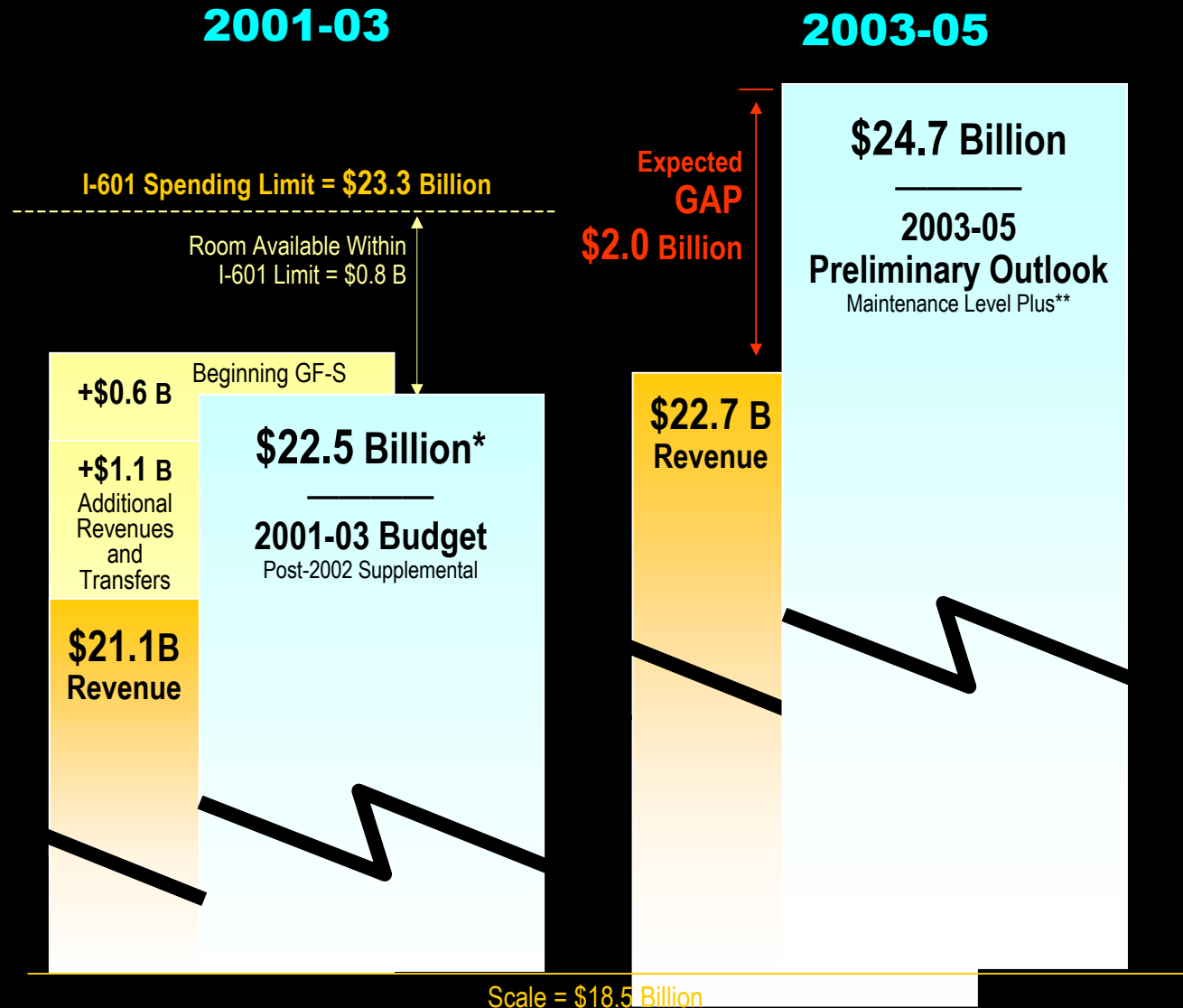
# Budget and Agency Overview

A Presentation by Martha Choe  
to the Economic Development Commission  
November 7, 2002

State of the State

# GF-State Spending and Revenues

**Budget  
Woes Still  
With Us**



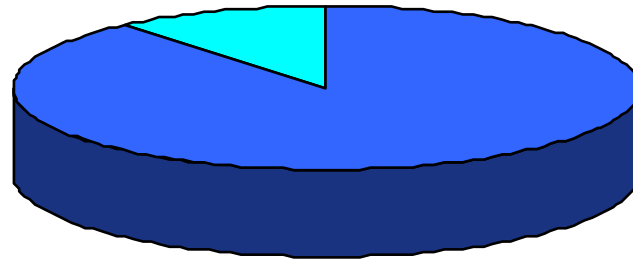
\* Original 2001-03 biennial appropriation = \$22.8 billion. The 2002 supplemental budget reduced this by \$332 million.

\*\* OFM assumes a COLA increase for ALL state employees in 2003-05 and continued "higher-than-I-601" inflation in health care (12 percent) in the next biennium.

# CTED's Budget

# CTED's operating budget resources represent about 2% of the total state operating budget

OTED Total  
Funds  
11%



OCD Total Fund  
89%

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## Community, Trade and Economic Development 2001-03 Biennium

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FTEs	334
General Fund - State	131,392,000
GF - Federal	173,342,000
GF - Private/Local	7,980,000
Dedicated Funds	41,137,000
Interagency Reimbursements	99,607,000
Capital Budget Funds	694,416,000

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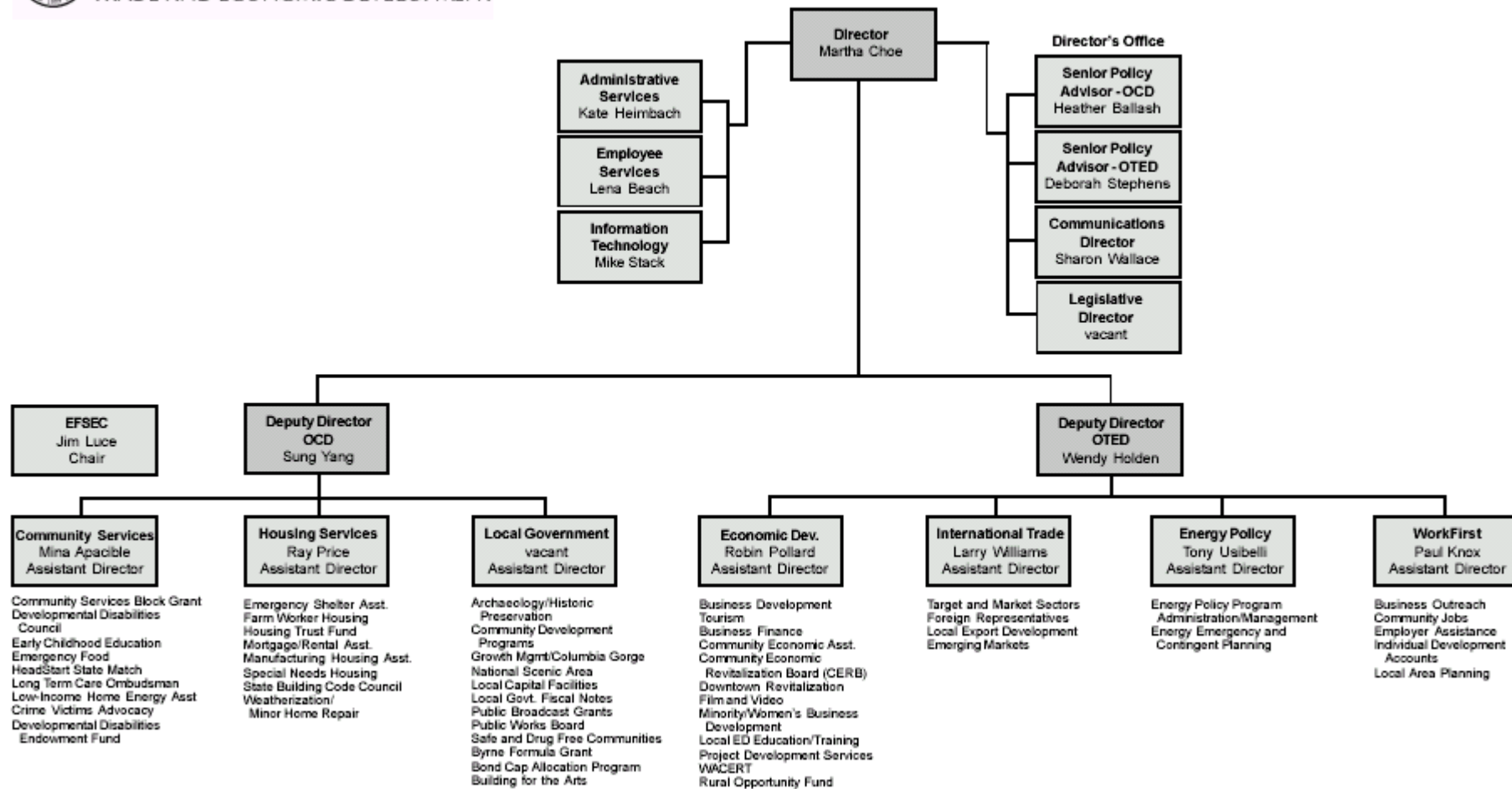
<b>Total</b>	<b>1,147,874,000</b>
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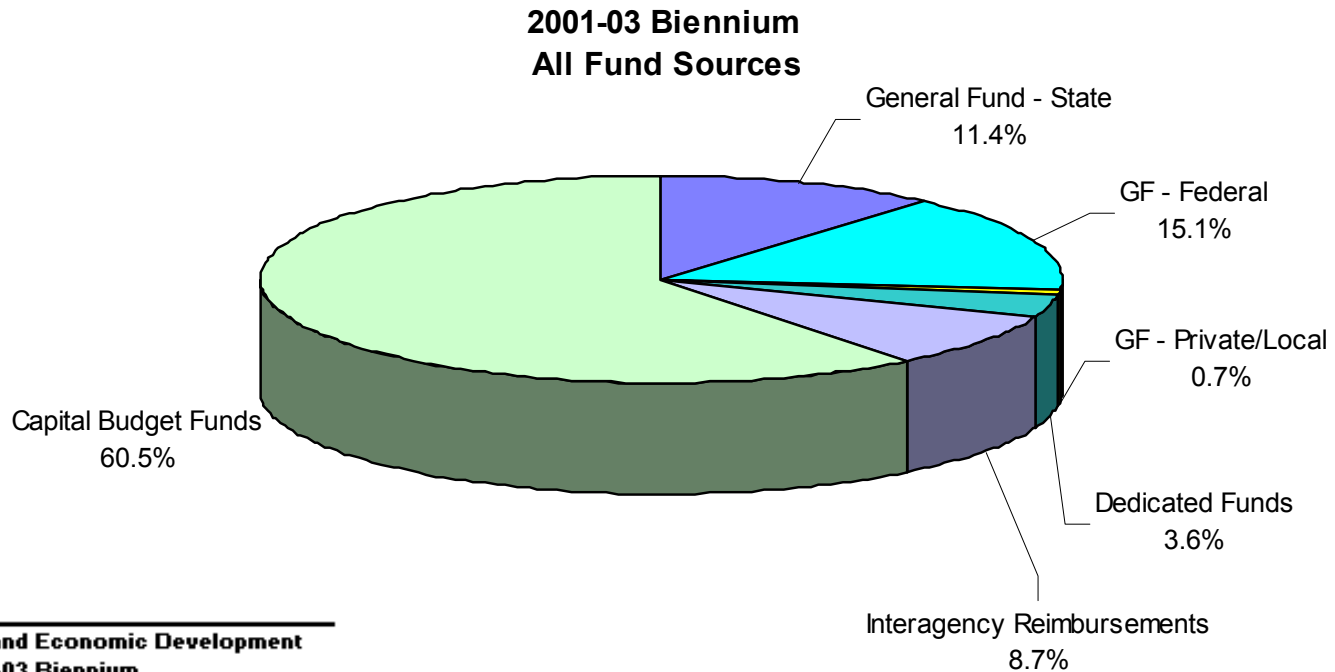
# What is CTED?



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT



# CTED's Total Capital and Operating Budget by Fund Source



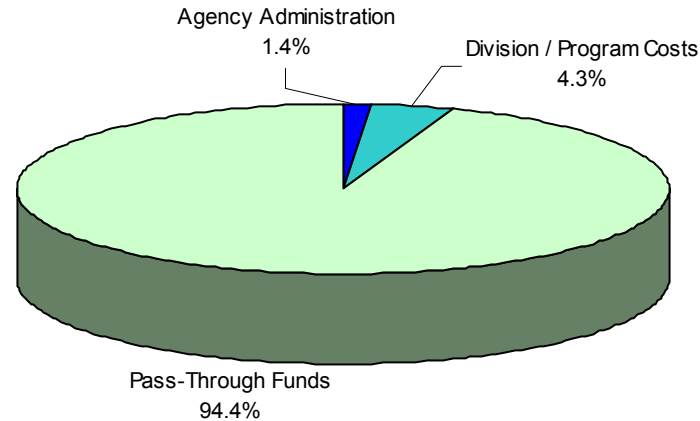
## **Community, Trade and Economic Development 2001-03 Biennium**

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# CTED's Total Operating and Capital Budget Showing Pass-Through Funding

2001-03 Combined Operating and Capital Budgets



**2001-03 Combined Operating and Capital Budgets**

Agency Administration	15,531,000
Division / Program Costs	49,199,000
Pass-Through Funds	1,083,144,000
<hr/>	
<b>Total</b>	<b>1,147,874,000</b>

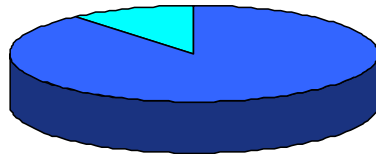
*Includes interagency agreements and reappropriations*



# OCD's and OTED's Budget: The Mix of Funding

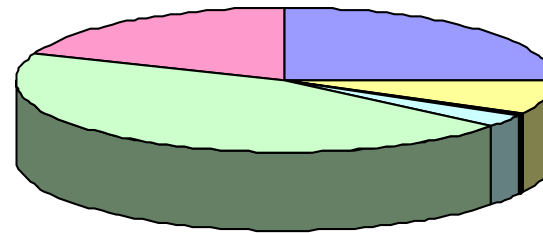
2001-03 Capital and Operating Biennial Budget

OTED Total  
Funds  
11%



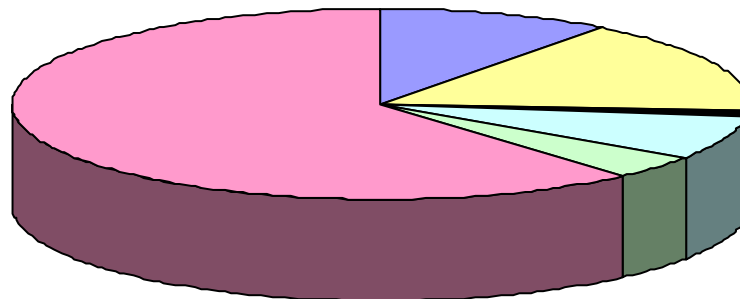
OCD Total Fund  
89%

**OTED**



\$126 million

**OCD**

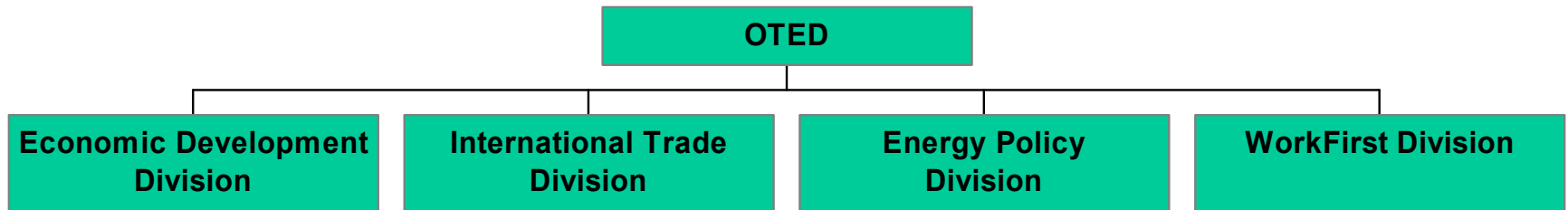


\$1.02 billion

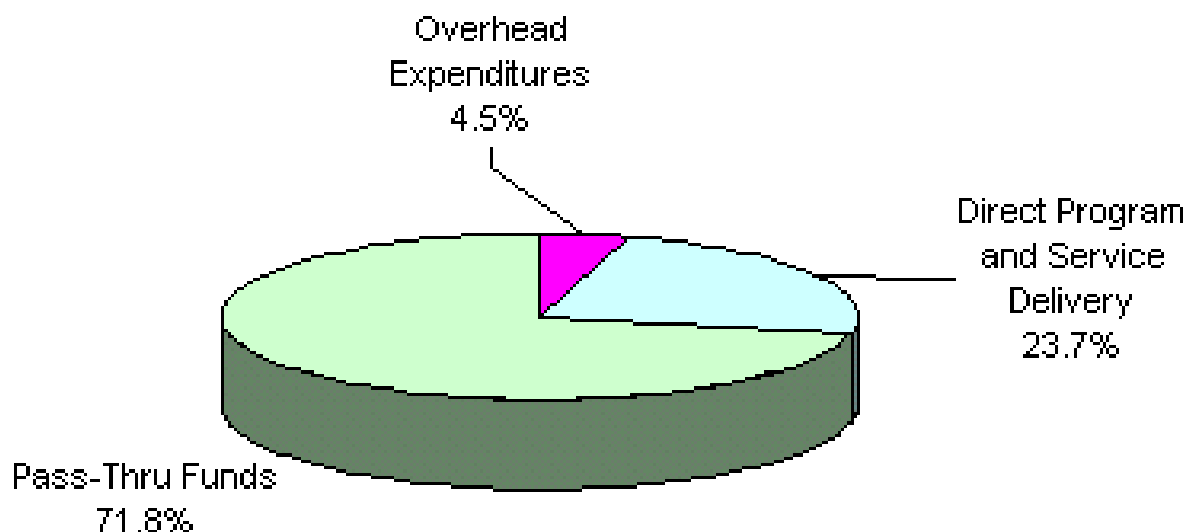
- General Fund-State
- GF-Federal
- GF-Private/Local
- Dedicated Funds
- Interagency Reimbursements
- Capital

# OTED's Budget

# Office of Trade and Economic Development (OTED)



# OTED's Operating Budget Pass-Through Funding 2001-03 Biennium



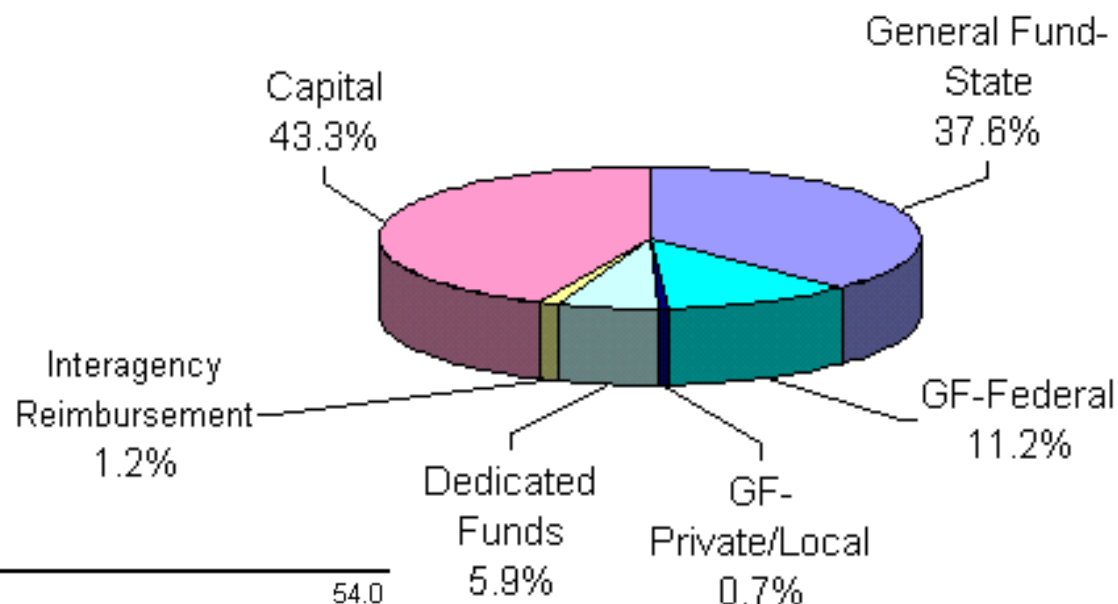
**2001-03 Biennium  
Operating Budget - All Fund Sources\***

Overhead Expenditures	4,509,000
Direct Program and Service Delivery	23,547,000
Pass-Thru Funds	71,338,000
<b>Total OTED**</b>	<b>99,394,000</b>

\*\*Total includes the WorkFirst Division IAG (reimbursed by external agency)

# Economic Development Division

# Economic Development Division Budget 2001-03 Biennium



FTEs	54.0
General Fund-State	24,405,000
GF-Federal*	7,295,000
GF-Private/Local	470,000
Dedicated Funds	3,851,000
Interagency Reimbursements	805,000
Capital	28,097,000
<b>Total</b>	<b>64,923,000</b>

*\*original allotments not yet updated with new awards*

# **Economic Development Division's Strategic Focus**

## **(1) Build local capacity**

- (1) Support the retention, and growth of employment & economic opportunities
- (2) Provide training and technical assistance to customers

## **(2) Make strategic investments**

- (1) Support the retention, expansion and location of business in Washington
- (2) Leverage resources to support physical and telecommunications infrastructure
- (3) Support entrepreneurship and emerging businesses

## **(3) Market the state**

- (1) Promote Washington State and its businesses in the global and domestic marketplace

# **Economic Development Division Builds Local Capacity Through:**

- Community Economic Revitalization Board (CERB)
- Business Retention
- Tourism
- Project Development
- Education and Training
- Rural Opportunity Fund
- Economic Development Commission (EDC) Funding
- WA Community Economic Revitalization Team
- Minority & Women's Business Development
- Film
- Community Development Finance
- Downtown Revitalization



# **Economic Development Division Provides Strategic Investment Through:**

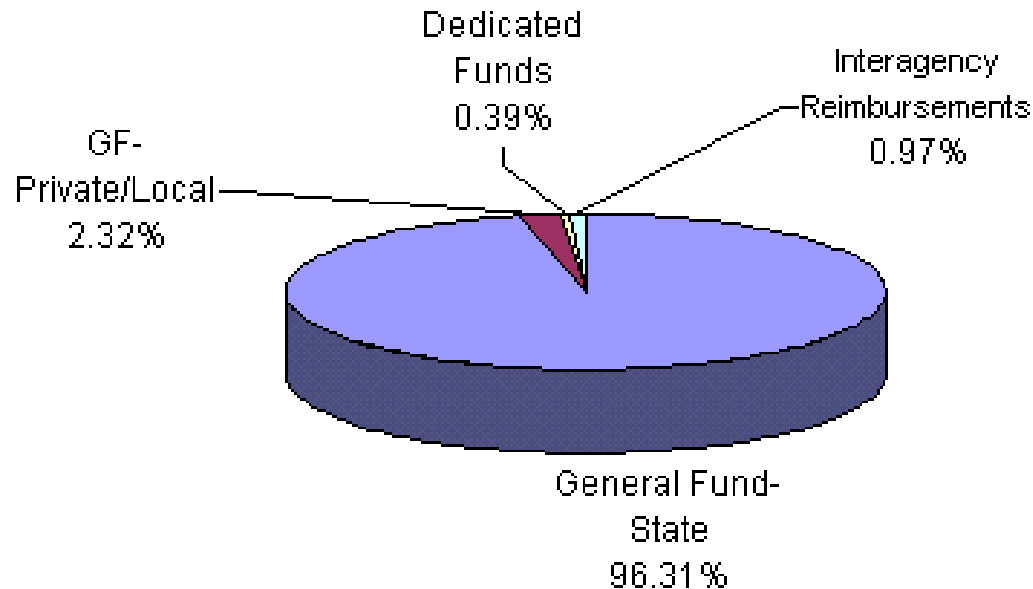
- Community Economic Revitalization Board
- Project Development
- Rural Opportunity Fund
- Business Loans

# **Economic Development Division Markets the State Through:**

- Tourism
- Business Recruitment
- Film

# International Trade Division

# International Trade Division Budget 2001-03 Biennium



FTEs	17.0
General Fund-State	5,800,000
GF-Private/Local	140,000
Dedicated Funds	24,000
Interagency Reimbursement:	58,000
<b>Total</b>	<b>6,022,000</b>

# International Trade Division

- Trade Promotion
  - One-on-one export counseling
  - Business matchmaking services
  - Export finance
  - Market intelligence
  - Qualified list of distributors and buyers
  - Trade shows
- Introductory and industry seminars/workshops
- Clearinghouse and referral service
- Foreign direct investment

# Energy Policy and WorkFirst

# Energy Policy Division

- Energy policy information, analysis, and testimony
- Energy emergency response and contingency planning
- Federal grants management

# WorkFirst Division

- Washington's welfare-to-work strategy
- Assistance finding work and identifying career goals
- Childcare expenses
- Short-term, customized training
- Paid, temporary jobs
- Health-care coverage
- Support services
- Collaboration with Dept. of Social and Health Services, Employment Security Dept., State Board of Community and Technical Colleges, and community partners



# Economic Development Results and Funding Trends

# **CTED's 2001 Economic Development Efforts' Return on Investment**

- 7,349 jobs created or retained as a result of business assistance
- 4,158 jobs created or retained over 3 years resulting from EDD-assisted infrastructure investments
- \$12.9 million in state tax revenue generated from expanding or retained businesses
- \$17.9 million in state revenue generated from new businesses sited (39 new businesses)
- \$49 in revenue generated for every state-invested tourism dollar
- 47,000 hours of training and technical assistance provided to EDD customers.

# ED Funding History

- 1993-95 Biennium Reductions
  - 26% overall reduction in budget for ED activities from 1994 to 1995
  - Program and funding elimination
    - Business Recruitment Program (14 staff)
    - Aerospace Targeted Sector Program
    - London Trade Contract
    - EDC staff person
    - Tacoma World Trade Center funding

# ED Funding History (cont'd)

- 1993-95 Biennium Reductions (cont'd)
  - Funding and program reductions
    - 20% in Washington Technology Center
    - 40% in forest products contract
    - 25% in Small Business Export Finance Assistance Center
  - Other reductions in:
    - Tourism marketing
    - Tourism technical assistance
    - Export counseling
    - Marketplace Program
    - ADO contracts
    - Business and Job Retention contracts

## **ED Funding History (cont'd)**

- Since 93 Biennium, agency has never fully recovered from 25% loss
- Current 2001-03 Biennium Reductions
  - 13% overall OTED reductions
    - WA-Community Economic Revitalization Team
    - Washington Manufacturing Services
    - Community Empowerment Zone
    - International Trade Fair
    - CERB Staff
    - Tourism
    - International Trade
- 2002 Supplemental Reductions
  - \$2.2 million for OTED

# Initiatives and Challenges

# Some of CTED's ED Initiatives

- Washington's Key Industry Clusters
  - Cluster Research (Dr. Paul Sommers)
  - International Sector Focus
  - Clean Energy
  - Olympic Coastal Region
- Marketing Initiative
  - Tourism 2003 Campaign
  - Business Development Marketing Initiative
  - Film Industry Strategic Focus
- Performance-Based Approach
- Statewide Strategic Efforts
  - Washington Competitiveness Council
  - ED Commission
  - Governor's 2002 ED Conference

## **Some of OTED's Challenges**

- Long-Term Trend of Diminishing Resources
- Instability of Agency
- Competitiveness
  - Statewide
  - CTED
- Lack of Adequate Tools